

Overview of Draft DLA-COBALT-001

**Basic Ordering Agreement (BOA)
for DNSC Cobalt Sales**



**Co/FeCr Industry Meeting
Hilton-Washington Dulles, January 30, 2002**

DLA-COBALT-001

BOA REVIEW

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COBALT SALES



- ◆ **DLA-COBALT-001**, DRAFT issued 1/17/2002
- ◆ **Sales Format: Basic Ordering Agreement (BOA)**
- ◆ **Sales/Offerings: depend on market dynamics**
- ◆ **Material offered by item no., storage location, material type, analysis, origin, units, weight**
- ◆ **FY 2002 AMP: 6,000,000 LBS (Co)**
 - ◆ **Remaining Balance: 5,038,724 LBS (Co)**

NEW SALES APPROACH FOR DNSC COBALT



👉 New Features

- 👉 Participants pre-qualify to participate
- 👉 Submittals completed in advance of sale
- 👉 Material for sale posted to DNSC Web Site
- 👉 Sales forms, BOA available on web page
 - 👉 <https://www.dnsc.dla.mil>

NEW SALES APPROACH FOR DNSC COBALT



Current Approach

- ◆ Sealed Bid Format
- ◆ Set date/quantity sold each month
- ◆ Several pages constitute bid

NEW Approach

- ◆ Basic Ordering Agreement (BOA)
- ◆ Offer material periodically, depending on market needs
- ◆ One sheet (Quote/Award) to quote
 - ◆ I.1 + signed BOA = Contract

NEW SALES APPROACH FOR DNSC COBALT



Current Approach

- ◆ Up to three working days to review bids and award
- ◆ Fixed bid opening date may not meet customers' needs
- ◆ Cash and carry only
- ◆ Award information made public after award

NEW Approach

- ◆ Shorter review/award time (discussion point)
- ◆ May offer material more often in response to market & customer needs; no delay in participating
- ◆ May request payment terms (max: 30 days post receipt of Ship. Instruct.)
- ◆ Aggregate sales notice issued at the end of each month

Section A- Agreement/ Contract Form



- ◆ Agreement/Contract Form: an executed copy of the Basic Ordering Agreement and the Quote/Award Form (I.1) *together* will constitute a contract
- ◆ Material Description:
 - ☞ Granules/Rondelles: 99.000% - 99.599%
 - ☞ Cathodes: 99.855% - 99.94%
 - ☞ See I.2 for available type and quantity

Section B - Prequalification



- ◆ Companies may register and qualify under the BOA at any time (ongoing process)
- ◆ Submittals to qualify and register under BOA:
 - ✎ Applicants must review and agree to conform to the terms and conditions of the Agreement by completing pertinent sections of the BOA cover sheet
 - ✎ Complete Identifications I.5 through I.7 (Sections I.3 and I.4 are self-certified by initialing at time of quote)
 - ✎ Financial statements and references

Section B - Prequalification



- ◆ Government will review submittals
 - ☞ Government will evaluate and establish financial responsibility of applicant
 - ☞ Government will execute BOA and return copy to applicant
- ◆ All Applicants must submit the following for review:
 - ☞ Income statement and balance sheet
 - ☞ References to support financial responsibility

Section B - Prequalification



- ◆ If Financial Statements are not submitted the Government may:
 - ✎ Require a Performance Bond for 20% of total purchase
 - ✎ Require a Letter of Credit for the entire value of the purchase
 - ✎ Require 100% Advance Payment
 - ✎ Decline to do business with the Applicant

Section B - Prequalification



- ◆ In addition, Government will obtain current Dun & Bradstreet Report and will evaluate DNSC sales history (if applicable)
- ◆ Based on financial strength of a company, DNSC will determine the financial exposure limit extended and will also consider acceptance of company's request for payment terms
 - ✎ In consideration of payment terms, the Government expects an equitable adjustment in quoted price

Section B - Prequalification



- ◆ Notification of financial exposure limit and payment terms will be forwarded to Applicant by letter within ten (10) working days from receipt
- ◆ Re-evaluation of submittal documents and financial information will occur annually and as otherwise required
- ◆ Representations and Identifications must be renewed annually and when information changes
- ◆ Independent Pricing and Debarment/Suspended status is confirmed on Quote/Award Form (I.1)

Section C - Quotes Sales Procedure



- ◆ Material offered for sale will be posted on the DNSC website <https://www.dnsc.dla.mil> by 11:30 a.m., local time, Fort Belvoir, VA
- ◆ Problems accessing website? Call:
 - ✎ Alicia Turrentine (703) 767-6515
 - ✎ James Jenkins (703) 767-6529
- ◆ Contractual Issues? Call:
 - ✎ Diane Knight (703) 767-5483
 - ✎ Rick Talbott (703) 767-5497

Section C - Quotes



- ◆ Quotes shall be submitted on I.1 Quote/Award Form; quoter initials in space provided to designate compliance with Independent Pricing and Debarment/Suspension (I.3, I.4)
- ◆ Quotes must be faxed and received by date and time noted on web site (discussion point)
- ◆ Time is local time, Fort Belvoir, VA
Fax quotes to: (703) 767-5541

Section C - Quotes



- ◆ Quotes shall be a fixed dollar and cents value per pound of cobalt
- ◆ The contract removal period shall not exceed 90 calendar days from award date
- ◆ Quotes shall be for an entire line item unless otherwise noted on web site
- ◆ Contracts will be awarded within three (3) business days (72 hours) (discussion point)

Section C - Quotes



◆ Evaluation of Quotes

- ☞ Price and price alone
- ☞ Must have completed and approved BOA package prior to quoting (DNSC letter)

◆ Contract Award

- ☞ Completed and approved BOA
- ☞ I.1 Quote/Award Form - completed and signed by Contracting Officer

Section D - Payment



◆ Cash and Carry

- ☞ Payment before shipment
- ☞ Shipment before contract expiration date

◆ Payment Terms

- ☞ Must be requested and pre-approved (see Section B)
- ☞ Maximum acceptable is 30 days from Government receipt of current, accurate and complete Shipping Instructions

Section D - Payment



◆ DNSC will monitor payment terms

- ☞ If contractor has delinquent account, NO material will be shipped until all delinquent charges are paid in full.

◆ Set-Off of Funds

- ☞ All monies received by Government may be used to satisfy any outstanding Contractor debt

Section E- Material Removal



◆ Removal

- 👉 Contract period, not to exceed 90 days from award, includes Saturdays, Sundays, holidays
- 👉 Shipping Instructions must be received five (5) working days prior to requested shipment date
- 👉 If contractor fails to remove material by contract expiration date, may be assessed storage charges, interest, and may risk contract default (pay & perform)
- 👉 Contact us prior to compliance difficulties

Section F - Shipping



◆ Request for Shipment

- 👉 **J.2 Shipping Instructions** must be sent/faxed to the Contracting Officer to initiate shipment
- 👉 **Delivery F.O.B Carrier's Conveyance**
- 👉 Contractor must furnish storage depot with commercial bills of lading five (5) working days prior to requested shipment date
- 👉 Incomplete shipping instructions may cause delay in processing material shipment

Section F - Shipping



◆ Request for Shipment

- 👉 No material will be shipped until all outstanding charges and payments have been satisfied
- 👉 Shipping Instructions will only be accepted from individuals authorized to ship material (See Section I.6)

Section G - Contract Administration



◆ Amendments and Modifications

- ☞ Shall be in writing; modifications shall be signed by Contracting Officer
- ☞ Administrative fee for a contract modification is now \$1,500.00 (payable upon execution)

◆ Title

- ☞ Title of material shall pass to the Contractor upon payment or shipment of material, whichever occurs first

DNOSC WEB SITE

<https://www.dnosc.dla.mil>



- ◆ Cobalt sales information will be accessible from the DNOSC Home Page
- ◆ DNOSC Home Page is currently undergoing revision to add a Cobalt Sales Tab/Button--ready by start date of BOA sales
- ◆ Quote/Award Form (I.1) can be accessed, completed, and printed from web site, but is not currently interactive

DNOSC WEB SITE

<https://www.dnosc.dla.mil>



- ◆ The following areas will be updated as needed on the Cobalt Web Page:
 - 👉 Posting Date of Material Offering
 - 👉 Due Date of Quotes
 - 👉 Telephone number of POC (for questions)
 - 👉 Material posted for sale or “No Sales for Today”
 - 👉 Item Number
 - 👉 Storage Location
 - 👉 Material Type

DNOSC WEB SITE

<https://www.dnosc.dla.mil>



- ◆ **The following areas will be updated as needed on the Cobalt Web Page:**
 - 👉 Percentage Cobalt content of material
 - 👉 Material origin
 - 👉 Number of barrels or kegs
 - 👉 Stockpile Weight--pounds of contained cobalt
 - 👉 Link (button) to access material analyses
 - 👉 Any additional information or notes for quoters

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Open Discussion



- ◆ Length of time needed to quote from time of sales posting--3 business days (72 hours)?
- ◆ Contracts awarded within three business days from receipt of quotes. Adequate time?
- ◆ I.2 Inventory in lieu of I.2 Shopping List
- ◆ Other issues or discussion points?

Thank you for your participation in the DNSC Industry Meeting



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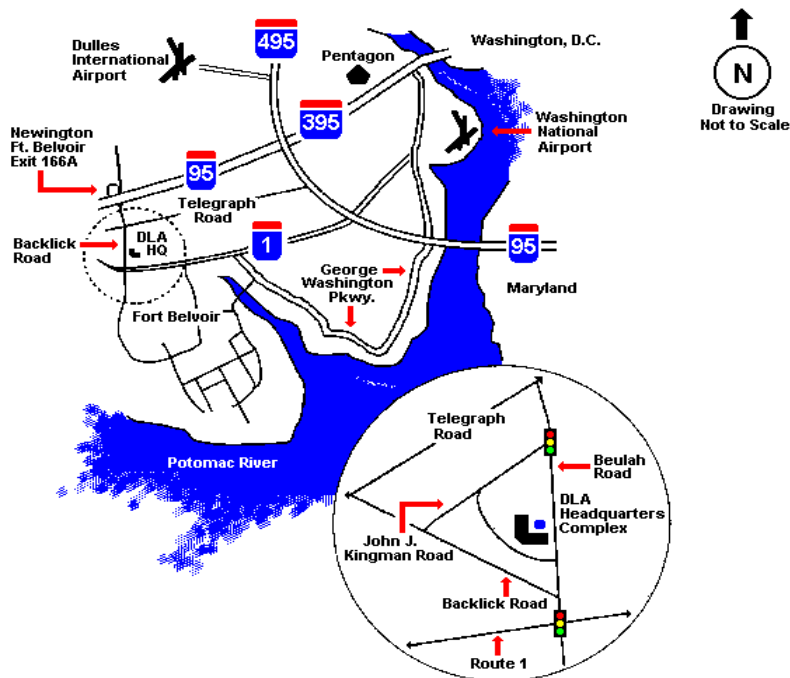
The Defense National Stockpile Center

Come Visit Us

703-767-5500

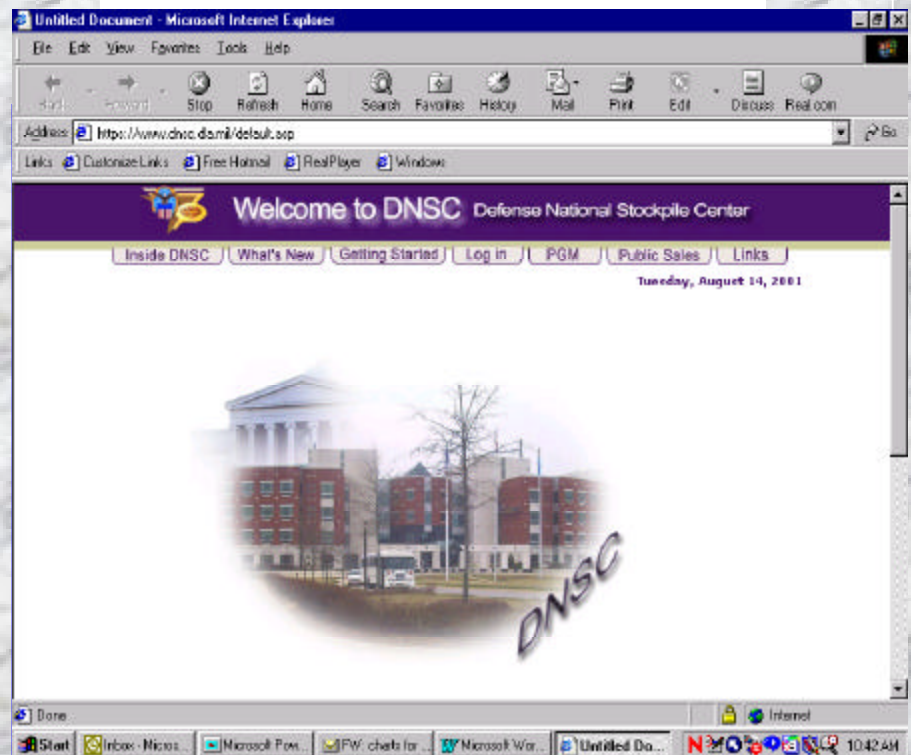


...at the office



Fort Belvoir, VA

...or on our website



<https://www.dnsc.dla.mil>